

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-58

March 21, 1980

## TO INSTITUTIONS SUBJECT TO NEW SPECIAL DEPOSIT REQUIREMENTS ON CONSUMER CREDIT:

Pursuant to the Credit Control Act (12 U.S.C. §§ 1901-1909) as implemented by Executive Order 12201, the Board of Governors of the Federal Reserve System has adopted provisions requiring creditors that extend certain types of consumer credit to maintain a special non-interest bearing deposit with the Federal Reserve equal to 15% of the amount by which certain types of the creditor's outstanding consumer credit exceeds the larger of \$2 million or the amount of such credit outstanding on March 14, 1980 (or the last day or other period immediately prior to March 14, 1980, for which the data are available). The types of consumer credit covered by this regulation include credit extended through the use of credit cards, unsecured consumer loans, and secured consumer credit, where the proceeds are not being used to purchase the collateral. Credit extended for business and agricultural purposes and closed-end consumer credit secured by the collateral financed are not subject to the regulation. The purpose of this action is to help curb inflationary pressures in the economy.

Enclosed are forms and instructions for your use in complying with these provisions. Data for all U. S. offices of the same company and all direct and indirect U. S. subsidiaries of the same parent company should be combined.

Form FR 2061a is to report covered consumer credit outstanding as of March 14, 1980 (or the nearest date for which data is available) to establish the base amount of such credit.

This report is due by April 1, 1980. Institutions which are subsidiaries or separate offices of another company should return the form indicating the institution which will be filing the report including their data.

Form FR 2061b is a monthly report updating the covered consumer credit outstanding information for use in calculating the special deposit requirement. The first report is due May 12, 1980, covering the period March 15-April 30, 1980. Subsequent reports will cover monthly periods and are due the second Monday of the following month.

The first special deposit requirement must be maintained during the period May 22-June 25, 1980 based on increases in outstanding credit during the first reporting period (March 15-April 30, 1980).

*This publication was digitized and made available by the Federal Reserve Bank of Dallas' Historical Library (FedHistory@dal.frb.org)*

One copy of the base report (FR 2061a) should be forwarded to the Federal Reserve Bank of Dallas in the enclosed preaddressed envelope. Subsequent reports should be filed with the Federal Reserve office nearest you. Monthly reporters will be provided additional forms and instructions at a later date. For further information or assistance, please contact:

Bill Green, Manager  
Ext. 6394  
Statistical Department  
Federal Reserve Bank of Dallas  
Station K  
Dallas, TX 75222

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosures

## Base Report of Outstanding Covered Consumer Credit

This report is required by law (12 U.S.C. §§ 1901-1909, as implemented by Executive Order 12201).

The information provided by each respondent is regarded as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

PLEASE READ INSTRUCTIONS PRIOR TO COMPLETION OF THIS REPORT

### Section 1: Name and Address of Respondent Company

Name \_\_\_\_\_ Address \_\_\_\_\_

### Section 2: To be Completed by Institutions Whose Covered Credit is Included in the Base Report Filed by Another Office.

If the amount of your covered consumer credit outstanding during the base period is included in a report submitted by or on behalf of your parent company, you should not complete SECTION 3 of this report. Rather, please check this box, complete Items 2a and 2b below, sign this report, and return it to the institution designated below.

#### 2a. Name and address of parent company

Name \_\_\_\_\_ Address \_\_\_\_\_

#### 2b. Name and address of the reporting office filing the combined report (if same as Item 2a, enter "same")

Name \_\_\_\_\_ Address \_\_\_\_\_

### Section 3: To be Completed by Institutions Whose Covered Credit is Not Included in the Base Report Filed by Another Office

3a. Is your institution filing this report on behalf of other offices? Yes  No

If yes, please provide the name and address of the parent company (if same as the name and address shown in SECTION 1 above, enter "same").

Name \_\_\_\_\_ Address \_\_\_\_\_

3b. If the amount of your covered consumer credit outstanding during the base period was less than \$2 million, you should not complete Item 3c. Rather, please check this box, sign this report, and return it to the institution designated below.

Otherwise, please complete Item 3c.

3c. Amount of covered consumer credit outstanding during the base period . . . . .

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NOTE: The Base for the Special Deposit Requirement is Either (1) the Amount Shown in Item 3c Above or (2) \$2 Million, Whichever is Larger.

I certify that the information shown on this report is correct.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Area Code and Telephone Number

This report must be filed no later than April 1 with the institution designated below.

All credit unions should return this report to the Central Liquidity Facility of the National Credit Union Administration.

All members of the Federal Home Loan Banks and all other savings and loan associations should return this report to the Federal Home Loan Bank.

All other creditors should return this report to the Federal Reserve Bank in whose District the respondent company is located.\*

#### Penalties

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For each willful violation of 12 C.F.R. 229 Subpart A, the Board may assess against any creditor, or officer, director or employee thereof who willfully participates in the violation, a maximum civil penalty of \$1,000. In addition, a maximum criminal penalty of \$1,000 and imprisonment of up to one year may be imposed for willful violation of this subpart.

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\* Federal Reserve Bank of Dallas  
Station K  
Dallas, Texas 75222  
Attention: Statistical Department

## INSTRUCTIONS

Who Must Report

This report is required from each U.S. creditor with covered consumer credit outstanding of \$2 million or more during the base period. This base report may also be required of certain other creditors.

For purposes of reporting and determining whether the creditor's outstanding covered credit is \$2 million or more, the covered credit of all U.S. offices of the same company and all direct and indirect U.S. subsidiaries of the same parent company shall be combined, and only one report shall be filed for the combined organization. Any office may be designated as the reporting office for the combined organization. (However, once a reporting office is designated, it should not be changed without prior notification to the institution receiving the report.)

For example, if a company has 100 offices throughout the U.S., it should combine the required information from each office, and one designated reporting office should file one combined base report for the entire company.

The covered credit of all U.S. offices (such as the branches, agencies, and subsidiaries, including banks) of the same foreign parent company and all U.S. offices of that foreign parent's non-U.S. subsidiaries shall be combined, and one office selected as the reporting office for such offices. A subsidiary is a company that is more than 50 percent owned, directly or indirectly, by another.

Purpose of the Report

In accordance with the Credit Control Act (12 U.S.C. §§ 1901-1909) as implemented by Executive Order 12201, the Board of Governors of the Federal Reserve System has adopted provisions requiring certain creditors that extend certain types of consumer credit to maintain a special noninterest-bearing deposit with the Federal Reserve against increases in the amount of those types of credit outstanding.

The base for the special deposit requirement calculation for each creditor will be determined from this report. If daily data are available, a creditor shall report as its base the actual amount of covered credit outstanding on March 14, 1980 or the last day before March 14 for which such data are available. If daily data are not available, the creditor shall report as its base the amount of such credit outstanding during the last period immediately before March 14, 1980, for which such data are available.

Any covered creditor with covered credit outstanding of over \$2 million on an average basis during a calendar month is required to maintain a special noninterest-bearing deposit with the appropriate institution designated below. The special deposit requirement is 15 percent of the amount by which the amount of covered consumer credit on an average basis during the

computation period exceeds the reported base or \$2 million, whichever is greater. The first computation period shall cover the period beginning March 15, 1980, and ending April 30, 1980. Thereafter, each computation period, or reporting month, shall begin on the first day of each month and end on the last day of that month.

The special deposit requirement must be maintained during the period beginning on the fourth Thursday of the month following the computation period (or reporting month) and ending on the Wednesday before the fourth Thursday of the next month. For example, the special deposit required for the first computation period (March 15 through April 30) shall be held beginning Thursday, May 22, 1980 and continue through Wednesday, June 25, 1980. A new special deposit amount based on the May report will then be required beginning Thursday, June 26, and will continue through Wednesday, July 23. The amount of the special deposit may not vary during each maintenance period.

The special deposit shall be maintained in collected funds in the form of U.S. dollars.

Members of the Federal Home Loan Banks and all other savings and loan associations shall maintain the special deposit with the Federal Home Loan Banks. All credit unions, whether or not members of the National Credit Union Administration's Central Liquidity Facility, shall maintain the special deposit with the Central Liquidity Facility. Deposits maintained with the Federal Home Loan Banks and the Central Liquidity Facility shall be passed through by those entities to the Federal Reserve Banks. All other covered creditors, including commercial banks, mutual savings banks, U.S. branches and agencies of foreign banks, retailers, other credit card issuers, and finance companies, shall maintain the special deposit with the Federal Reserve Bank in whose District the reporting office is located.

#### Where and When to Report

The base report for all creditors shall be filed by no later than April 1, 1980. The first monthly report (covering the period beginning March 15 and ending April 30) shall be filed by May 12. Thereafter, each monthly report shall be filed by no later than the second Monday following the reporting month.

Members of the Federal Home Loan Banks and all other savings and loan associations should file their reports with the Federal Home Loan Bank where the deposit will be maintained.

All credit unions should file their reports with the Central Liquidity Facility of the National Credit Union Administration.

All other creditors should file their reports with the Federal Reserve Bank in whose District the reporting office is located.

How to Report

All amounts should be reported to the nearest thousand dollars.

Amounts of covered consumer credit outstanding denominated in foreign currencies should be valued in U.S. dollars at the prevailing exchange rate at the time the transaction originally is entered into.

General Definitions

Base: The larger of \$2 million or the amount of covered credit outstanding as of the close of business on the base date.

Base date: For a creditor that has daily credit data available, March 14, 1980, or the last day immediately before March 14, 1980 for which such data are available; for a creditor that does not have daily credit data available, the period immediately before March 14, 1980 for which credit data are available.

Board: The Board of Governors of the Federal Reserve System.

Closed-end credit: All consumer credit except open-end credit.

Consumer credit: Credit extended in the U.S. primarily for personal, family, or household purposes. Credit extended for business or agricultural purposes is excluded.

Covered credit: Consumer credit that is (1) open-end credit and (2) closed-end credit which is unsecured or in which the proceeds of the credit are not being used to purchase the collateral. Covered credit that is sold or otherwise transferred after March 14, 1980 to any office located outside the U.S. of the same or another entity shall remain the covered credit of the transferor until such credit is repaid. Covered credit that is sold or otherwise transferred on a recourse basis to any U.S. office of the same or another entity shall remain the covered credit of the transferor; covered credit that is transferred on a nonrecourse basis to any U.S. office of the same or another entity shall be treated as covered credit of the transferee.

Covered credit does not include insurance company policy loans; credit extended by federal, state, or local governments, or by providers of utility, health, or educational services; state or federal government guaranteed loans; or loans secured by savings deposits 1/ held at the lending institution.

Covered creditor: Any creditor which extends covered credit. For purposes of determining the amount of a creditor's outstanding covered credit, the covered credit of all U.S. offices of (1) the same company, (2) U.S.

1/ As defined in § 217.1(e) of Regulation Q.



subsidiaries of the same parent company, and (3) non-U.S. subsidiaries of the same parent company shall be combined. A subsidiary is a company that is more than 50 percent owned, directly or indirectly, by another company.

Credit: The right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

Credit transaction: See "Extension of credit."

Creditor: Any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

Extension of credit (or "credit transaction"): Loans, credit sales, or other supplying of funds.

Loan: Any type of credit, including credit extended in connection with a credit sale.

Open-end credit: Consumer credit extended on an account pursuant to a plan under which (1) the creditor may permit the customer to make purchases or obtain loans, from time to time, directly from the creditor or indirectly by use of a credit card, check, or other device, as the plan may provide; (2) the customer has the privilege of paying the balance in full or in instalments; and (3) a finance charge may be computed by the creditor from time to time on an outstanding unpaid balance.

Subsidiary: Any company in which more than 50 percent of the outstanding voting stock is owned directly or indirectly by another.

U.S.: The 50 states of the United States and the District of Columbia.

Non-U.S.: Any geographic area located outside the 50 states of the United States and the District of Columbia. Thus, for purposes of this report, non-U.S. includes Puerto Rico and U.S. territories and possessions.

#### Examples

As noted above under "General Definitions," covered credit consists of (1) all open-end consumer credit, whether secured or unsecured, and (2) closed-end consumer credit that is either unsecured or secured by collateral that is not being purchased with the proceeds of the credit.

#### Examples of open-end credit that is covered are:

- Credit card plans, such as cards issued by financial institutions, retailers, and oil companies.
- Overdraft and special check-type plans offered by financial institutions.
- Other revolving credit plans.



Examples of closed-end consumer credit that is covered are:

- Unsecured personal loans.
- Loans for which the collateral provided is already owned by the borrower.
- Open account and 30-day credit without regard to whether a finance charge is imposed, such as travel and entertainment card plans and retail merchant credit.
- Credit secured by financial assets, other than savings deposits, when the collateral is not purchased with the loan proceeds.

Credit extended through the use of credit cards will be presumed to be consumer--that is, non-business--credit unless the creditor establishes otherwise.

A creditor will also be required to treat as covered consumer credit any such credit that is sold or otherwise transferred to any non-U.S. office of the same or another entity and any such credit that is sold or otherwise transferred with recourse to another entity, wherever located.

Examples of consumer credit that is not covered are:

- Secured credit where the collateral is purchased with the proceeds of the loan, such as automobile, mobile home, and other chattel-secured loans (see Uniform Commercial Code § 9-107, including Official Comments 1 and 2).
- Credit secured by financial assets when the collateral is purchased with the proceeds.
- Credit secured by savings deposits held at the lending institution.
- Mortgage loans where the proceeds are used to purchase the collateral or for home improvements or "bridge" loans.
- Insurance company policy loans.
- Credit extended by providers of utility, health, and educational services.
- Credit extended under state or federal government guaranteed consumer loan programs, such as student loans.

Instructions

Include all covered consumer credit that is on the creditor's books that is not actually written off, even if during the reporting period the credit is past due and collection is doubtful. Also, report the aggregate book value of covered credit net of unearned income and before deduction of allowance for loan losses. Depository institutions should report covered credit outstanding net of deposits accumulated for the payment of personal loans (hypothecated deposits).

Each creditor should include the amount of its share of participation loans, including participations in pools of loans, if such loans meet the definition of covered credit. Participation loans are loans made in cooperation with other financial institutions. The creditor should report only the dollar amount outstanding of its share of the participation loans even if it is the "lead" institution in the participation arrangement.

Participations in pools of loans are described as follows: (1) A "pass-through" participation, when issued by a bank or other private institutions, represents a pro-rata share in the pooled loans. In this case, the terms of the participation (e.g., maturity, interest rate, etc.) are identical to the terms of the underlying loans. Consequently, the issuing institution incurs no obligation other than to pass on proportional shares of whatever payments of principal and interest are collected from the obligors of the underlying assets in the pool. The creditor purchasing such a participation should report the underlying loans as covered consumer credit. (2) In other types of participations (i.e., those other than "pass-through" participations), the instrument of participation bears terms (e.g., maturity, interest rate, etc.) that differ from the terms of the loans comprising the pool. Consequently, the institution issuing the participation does incur an obligation on the instrument of participation itself. A creditor issuing these participations should report the underlying loans as covered consumer credit.

## Monthly Report of Covered Consumer Credit Outstanding Subject to Special Deposit Requirement

As of \_\_\_\_\_

This report is required by law (12 U.S.C. §§ 1901-1909, as implemented by Executive Order 12201).

The information provided by each respondent is regarded as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

**PLEASE READ INSTRUCTIONS PRIOR TO COMPLETION OF THIS REPORT**

1. Average amount of covered consumer credit outstanding during the reporting month . . .
2. *Base*: Amount of covered consumer credit outstanding during the base period or \$2 million, whichever is larger . . . . .
3. Amount by which the average amount of covered consumer credit outstanding during the reporting month exceeds the base (Item 1 minus Item 2) . . . . .

| Bils. | Mils. | Thous. |
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*If Item 3 is zero or negative, no special deposit is required during the maintenance period. Please sign below and return this form to the institution designated below.*

*If Item 3 is greater than zero, a special deposit is required during the maintenance period. Item 4 must be completed for calculation of the special deposit requirement.*

4. 15% of Item 3: **Special noninterest-bearing deposit required to be held during the maintenance period.** (NOTE: Report this amount in *dollars*.) . . . . .

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**MEMORANDA**

1. Amount of covered consumer credit sold or otherwise transferred to non-U.S. offices of the same or other institutions (must be included in Item 1 above) . . . . .
2. Amount of covered consumer credit sold or otherwise transferred with recourse to U.S. offices of the same or other institutions (must be included in Item 1 above) . . . . .
3. Amount of covered consumer credit sold or otherwise transferred without recourse to U.S. offices of the same or other institutions (must *not* be included in Item 1 above) . . . . .
4. Amount of covered consumer credit purchased without recourse from U.S. offices of the same or other institutions (must be included in Item 1 above) . . . . .

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**METHOD OF ACCOUNTING**

Data on covered consumer credit are maintained on the following basis (check one):

- Daily
- Other (please specify) \_\_\_\_\_

This report reflects data computed on the following basis (check one):

- Daily
- One-day (please specify the date) \_\_\_\_\_
- Other (please specify) \_\_\_\_\_

**NOTE:** If your institution maintains data on a daily basis, you must report on a daily average basis.

I certify that the information shown on this report is correct.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Area Code and Telephone Number

\_\_\_\_\_  
Name of Respondent

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, and Zip Code

Please return by the second Monday of the following month, as follows:

All members of the Federal Home Loan Banks and all other savings and loan associations should return this report to the Federal Home Loan Bank.

All credit unions should return this report to the Central Liquidity Facility of the National Credit Union Administration.

All other respondents should return this report to the Federal Reserve Bank in whose District the reporting office is located.\*

#### Penalties

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For each willful violation of 12 C.F.R. 229 Subpart A, the Board may assess against any creditor, or officer, director or employee thereof who willfully participates in the violation, a maximum civil penalty of \$1,000. In addition, a maximum criminal penalty of \$1,000 and imprisonment of up to one year may be imposed for willful violation of this subpart.

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\* Federal Reserve Bank of Dallas  
Station K  
Dallas, Texas 75222  
Attention: Statistical Department

## INSTRUCTIONS

Who Must Report

This report is required from each U.S. creditor with covered consumer credit outstanding of \$2 million or more either during the base period or, on an average basis, during any subsequent calendar month.

For purposes of reporting and determining whether the creditor's outstanding covered credit is \$2 million or more, the covered credit of all U.S. offices of the same company and all direct and indirect U.S. subsidiaries of the same parent company shall be combined, and only one report shall be filed for the combined organization. Any office may be designated as the reporting office for the combined organization. (However, once a reporting office is designated, it should not be changed without prior notification to the institution receiving the report.)

For example, if a company has 100 offices throughout the U.S., it should combine the required information from each office, and one designated reporting office should file one combined monthly report for the entire company.

The covered credit of all U.S. offices (such as the branches, agencies, and subsidiaries, including banks) of the same foreign parent company and all U.S. offices of that foreign parent's non-U.S. subsidiaries shall be combined, and one office selected as the reporting office for such offices. A subsidiary is a company that is more than 50 percent owned, directly or indirectly, by another.

Purpose of the Report

In accordance with the Credit Control Act (12 U.S.C. §§ 1901-1909) as implemented by Executive Order 12201, the Board of Governors of the Federal Reserve System has adopted provisions requiring certain creditors that extend certain types of consumer credit to maintain a special noninterest-bearing deposit with the Federal Reserve against increases in the amount of those types of credit outstanding. This report is used to compute the special deposit requirement.

Any covered creditor with covered credit outstanding of over \$2 million on an average basis during a calendar month is required to maintain the special noninterest-bearing deposit with the appropriate institution designated below. The special deposit requirement is 15 percent of the amount by which the amount of covered consumer credit on an average basis during the computation period exceeds the creditor's reported base or \$2 million, whichever is greater. The first computation period shall cover the period beginning March 15, 1980, and ending April 30, 1980. Thereafter, each computation period, or reporting month, shall begin on the first day of each month and end on the last day of that month. Thus, for example, the computation period for May will begin on May 1 and end on May 31.

The special deposit requirement must be maintained during the period beginning on the fourth Thursday of the month following the computation period (or reporting month) and ending on the Wednesday before the fourth Thursday of the next month. For example, the special deposit required for the first computation period (March 15 through April 30) shall be held beginning Thursday, May 22, 1980 and continue through Wednesday, June 25, 1980. A new special deposit amount based on the May report will then be required beginning Thursday, June 26, and will continue through Wednesday, July 23. The amount of the special deposit may not vary during each maintenance period.

The special deposit shall be maintained in collected funds in the form of U.S. dollars.

Members of the Federal Home Loan Banks and all other savings and loan associations shall maintain the special deposit with the Federal Home Loan Banks. All credit unions, whether or not members of the National Credit Union Administration's Central Liquidity Facility, shall maintain the special deposit with the Central Liquidity Facility. Deposits maintained with the Federal Home Loan Banks and the Central Liquidity Facility shall be passed through by those entities to the Federal Reserve Banks. All other covered creditors, including commercial banks, mutual savings banks, U.S. branches and agencies of foreign banks, retailers, other credit card issuers, and finance companies, shall maintain the special deposit with the Federal Reserve Bank in whose District the reporting office is located.

#### Where and When to Report

The first monthly report (covering the period beginning March 15 and ending April 30) shall be filed by May 12. Thereafter, each monthly report shall be filed by no later than the second Monday following the reporting month.

Members of the Federal Home Loan Banks and all other savings and loan associations should file their reports with the Federal Home Loan Bank where the deposit will be maintained.

All credit unions should file their reports with the Central Liquidity Facility of the National Credit Union Administration.

All other creditors should file their reports with the Federal Reserve Bank in whose District the reporting office is located.

#### How to Report

The special deposit requirement (Item 4) should be reported in dollars. All other amounts should be reported to the nearest thousand dollars.

In computing the average amount of covered consumer credit outstanding during the reporting month, use balances as of the close of business each day on which offices were open.



Amounts of covered consumer credit outstanding denominated in foreign currencies should be valued in U.S. dollars at the prevailing exchange rate at the time the transaction originally is entered into.

#### General Definitions

Base: The larger of \$2 million or the amount of covered credit outstanding as of the close of business on the base date.

Base date: For a creditor that has daily credit data available, March 14, 1980, or the last day immediately before March 14, 1980 for which such data are available; for a creditor that does not have daily credit data available, the period immediately before March 14, 1980 for which credit data are available.

Board: The Board of Governors of the Federal Reserve System.

Closed-end credit: All consumer credit except open-end credit.

Consumer credit: Credit extended in the U.S. primarily for personal, family, or household purposes. Credit extended for business or agricultural purposes is excluded.

Covered credit: Consumer credit that is (1) open-end credit and (2) closed-end credit which is unsecured or in which the proceeds of the credit are not being used to purchase the collateral. Covered credit that is sold or otherwise transferred after March 14, 1980 to any office located outside the U.S. of the same or another entity shall remain the covered credit of the transferor until such credit is repaid. Covered credit that is sold or otherwise transferred on a recourse basis to any U.S. office of the same or another entity shall remain the covered credit of the transferor; covered credit that is transferred on a nonrecourse basis to any U.S. office of the same or another entity shall be treated as covered credit of the transferee.

Covered credit does not include insurance company policy loans; credit extended by federal, state, or local governments, or by providers of utility, health, or educational services; state or federal government guaranteed loans; or loans secured by savings deposits 1/ held at the lending institution.

Covered creditor: Any creditor which extends covered credit. For purposes of determining the amount of a creditor's outstanding covered credit, the covered credit of all U.S. offices of (1) the same company, (2) U.S. subsidiaries of the same parent company, and (3) non-U.S. subsidiaries of the same parent company shall be combined. A subsidiary is a company that is more than 50 percent owned, directly or indirectly, by another company.

Credit: The right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

1/ As defined in § 217.1(e) of Regulation Q.



Credit transaction: See "Extension of credit."

Creditor: Any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

Extension of credit (or "credit transaction"): Loans, credit sales, or other supplying of funds.

Loan: Any type of credit, including credit extended in connection with a credit sale.

Open-end credit: Consumer credit extended on an account pursuant to a plan under which (1) the creditor may permit the customer to make purchases or obtain loans, from time to time, directly from the creditor or indirectly by use of a credit card, check, or other device, as the plan may provide; (2) the customer has the privilege of paying the balance in full or in instalments; and (3) a finance charge may be computed by the creditor from time to time on an outstanding unpaid balance.

Subsidiary: Any company in which more than 50 percent of the outstanding voting stock is owned directly or indirectly by another.

U.S.: The 50 states of the United States and the District of Columbia.

Non-U.S.: Any geographic area located outside the 50 states of the United States and the District of Columbia. Thus, for purposes of this report, non-U.S. includes Puerto Rico and U.S. territories and possessions.

#### Examples

As noted above under "General Definitions," covered credit consists of (1) all open-end consumer credit, whether secured or unsecured, and (2) closed-end consumer credit that is either unsecured or secured by collateral that is not being purchased with the proceeds of the credit.

#### Examples of open-end credit that is covered are:

- Credit card plans, such as cards issued by financial institutions, retailers, and oil companies.
- Overdraft and special check-type plans offered by financial institutions.
- Other revolving credit plans.

#### Examples of closed-end consumer credit that is covered are:

- Unsecured personal loans.
- Loans for which the collateral provided is already owned by the borrower.

- Open account and 30-day credit without regard to whether a finance charge is imposed, such as travel and entertainment card plans and retail merchant credit.
- Credit secured by financial assets, other than savings deposits, when the collateral is not purchased with the loan proceeds.

Credit extended through the use of credit cards will be presumed to be consumer--that is, non-business--credit unless the creditor establishes otherwise.

A creditor will also be required to treat as covered consumer credit any such credit that is sold or otherwise transferred to any non-U.S. office of the same or another entity and any such credit that is sold or otherwise transferred with recourse to another entity, wherever located.

Examples of consumer credit that is not covered are:

- Secured credit where the collateral is purchased with the proceeds of the loan, such as automobile, mobile home, and other chattel-secured loans (see Uniform Commercial Code § 9-107, including Official Comments 1 and 2).
- Credit secured by financial assets when the collateral is purchased with the proceeds.
- Credit secured by savings deposits held at the lending institution.
- Mortgage loans where the proceeds are used to purchase the collateral or for home improvements or "bridge" loans.
- Insurance company policy loans.
- Credit extended by providers of utility, health, and educational services.
- Credit extended under state or federal government guaranteed consumer loan programs, such as student loans.

Instructions

Include all covered consumer credit that is on the creditor's books that is not actually written off, even if during the reporting period the credit is past due and collection is doubtful. Also, report the aggregate book value of covered credit net of unearned income and before deduction of allowance for loan losses. Depository institutions should report covered credit outstanding net of deposits accumulated for the payment of personal loans (hypothecated deposits).

Each creditor should include the amount of its share of participation loans, including participations in pools of loans, if such loans meet the definition of covered credit. Participation loans are loans made in cooperation with other financial institutions. The creditor should report only the dollar amount outstanding of its share of the participation loans even if it is the "lead" institution in the participation arrangement.

Participations in pools of loans are described as follows: (1) A "pass-through" participation, when issued by a bank or other private institutions, represents a pro-rata share in the pooled loans. In this case, the terms of the participation (e.g., maturity, interest rate, etc.) are identical to the terms of the underlying loans. Consequently, the issuing institution incurs no obligation other than to pass on proportional shares of whatever payments of principal and interest are collected from the obligors of the underlying assets in the pool. The creditor purchasing such a participation should report the underlying loans as covered consumer credit. (2) In other types of participations (i.e., those other than "pass-through" participations), the instrument of participation bears terms (e.g., maturity, interest rate, etc.) that differ from the terms of the loans comprising the pool. Consequently, the institution issuing the participation does incur an obligation on the instrument of participation itself. A creditor issuing these participations should report the underlying loans as covered consumer credit.

Retailers -- District 11

H. Randy Lively  
General Credit Manager  
Sears Roebuck and Company  
1000 Belleview St. - Dept. 753  
Dallas, Texas 75295

Leroy H. Zochert  
Divisional Vice President  
Credit and Loss Prevention  
Foley's  
P.O. Box 1971  
Houston, Texas 77001

Mary Sydney Harvey  
Credit Manager  
Dryden's Department Store  
P.O. Box 597  
Groves, Texas 77619

## RETAILERS

Mr. Gene Deslette  
Zale Corporation  
3000 Diamond Park  
Dallas, Texas 75247

Mr. Robert G. Kacst  
Director of Credit  
The Fair, Inc.  
P.O. Box 4047  
Beaumont, Texas 77704

Glen Walker  
Legal Department  
American Airlines, Inc.  
P.O. Box 61616  
Dallas-Ft. Worth Airport,  
Texas 75261  
(355-1258)

Al Mider, President  
Scarboroughs Stores  
604 Scarborough Bldg.  
Austin, TX 78701

Howard Nelson  
Bealls Department Store  
P.O. Box 64  
Jacksonville, FL 75766

S.G. Hayda  
Meyler Stores  
1414 Elm Street  
Dallas, Texas 75202  
(741-6105)  
(Franklin Stores)

DALLAS

LIST OF LARGE FINANCE COMPANIES RESPONDING TO 1975 FINANCE  
WITH CONSUMER CREDIT OUTSTANDING - JUNE 30, 1975

| DISI |   | OUT     | CODE      | NAME, ADDRESS   |
|------|---|---------|-----------|---|
| 11   | C | 13132   | 171107019 | GULFCO INVESTMENT GROUP INC<br>PO BOX 157<br>MARKSVILLE, LA 71351                               |
| 11   | 0 | 4882    | 301119006 | SECURITY FINANCIAL SERVICES<br>INC<br>216 S. AVE A, PO BOX 659<br>PORTALES, NM 88130            |
| 11   | 0 | 37737   | 421101084 | ALLIED FINANCE CO<br>PO BOX <del>5600</del> 22098<br>2720 TURTLE CREEK BLVD<br>DALLAS, TX 75221 |
| 11   | 0 | 11588   | 421101186 | AGENCY PREMIUM SERVICES, INC<br>5433 WESTHEIMER RD, SUITE 917<br>HOUSTON, TX 77027              |
| 11   | 0 | 1118039 | 421101219 | ASSOCIATES CORP OF N AMERICA<br>250 CARPENTER FWY<br>PO BOX 22822<br>DALLAS, TX 75222           |
| 11   | 0 | 4732    | 421107036 | BEN GORDON FINANCE CO, INC<br>9039 KATY FREEWAY, SUITE 110<br>HOUSTON, TX 77024                 |
| 11   | 0 | 27199   | 421107075 | GREAT WESTERN FINANCE<br>1000 N ALAMO ST<br>SAN ANTONIO TEX 78215                               |
| 11   | 0 | 3780    | 421108051 | HOLIDAY FINANCE CORP<br>1600 NE LOOP 410, #115<br>SAN ANTONIO, TX 78209                         |
| 11   | 0 | 2522    | 421112007 | LEMENS FINANCE CO<br>1509 GUADALUPE<br>AUSTIN TEX 78701   |
| 11   | 0 | 9550    | 421120057 | TEXAS CONSUMER FINANCE CORP<br>304 W 7TH ST<br>FORT WORTH, TX 76102                             |

GASOLINE MARKETING COMPANIES

DISTRICT 11

Shell Oil Co.  
Mr. J.F. Bookout, President  
One Shell Plaza  
Houston, Texas 77002

American Petrofina  
Mr. R. I. Galland  
Fina Plaza  
Dallas, Texas 75206

Tenneco Corporation  
Mr. J.L. Ketelsen, Chairman & Pres.  
Tenneco Building  
Box 2511  
Houston, Texas 77001

*also on selected comp. list*



GASOLINE COMPANIES

Gudy Finkel

Legal Dept.

Conoco Oil Co.

P.O. Box 2197

Houston, TX 77001.

(713-965-3052)

## UNINSURED NONMEMBER COMMERCIAL

Dallas

DISTRICT 11

| DSB       | CC  | NAME                       | CITY        | STATE |
|-----------|-----|----------------------------|-------------|-------|
| 11481410. | 61. | CHILTON CITIZENS BANK      | CHILTON     | TX    |
| 11483740. | 55. | COLONIAL TRUST COMPANY     | HILLSBORO   | TX    |
| 11484630. | 61. | LEROY BANK                 | LEROY       | TX    |
| 11486340. | 61. | FARMERS AND MERCHANTS BANK | PRIDDY      | TX    |
| 11486950. | 61. | D A OPPENHEIMER BANKERS    | SAN ANTONIO | TX    |

Arkansas Best Corporation  
P. O. Box 48  
Fort Smith, Arkansas 72901

East Texas Bancshares, Inc.  
100 Independence Place  
Tyler, Texas 75711

Galveston County Bancshares, Inc.  
c/o Mr. J. W. Lander, Jr.  
5433 Westheimer, Suite 204  
Houston, Texas 77056

Glen Rose Bancshares, Inc.  
P. O. Box 579  
Andrews, Texas 79714

Goldthwaite Bancshares, Inc.  
P. O. Box 309  
Goldthwaite, Texas 76844

GSB Bancshares, Inc.  
3 Main Plaza  
Gruver, Texas 79040

The Moody Foundation  
704 Moody National Bank Building  
Galveston, Texas 77550

Freer Bancshares, Inc.  
304 Main Street  
Freer, Texas 78357

Cattle-Land Oil Company  
P. O. Box 935  
Waxahachie, Texas 75165

Lindale Bancshares, Inc.  
P. O. Box 8  
Lindale, Texas 75771

First-Wichita Bancshares, Inc.  
719 Scott Street  
Wichita Falls, Texas 76307

First Hale Center, Inc.  
701 Main Street  
Hale Center, Texas 79041

Beltway Bancshares, Inc.  
9702 Bellaire Boulevard  
Houston, Texas 77036

First Bancorporation of Cleveland, Inc.  
200 East Crockett  
Cleveland, Texas 77327

Plainview Bancshares, Inc.  
P. O. Box 1180  
Plainview, Texas 7907

Sundown Bankshares, Inc.  
P. O. Box 548  
Sundown, Texas 79372

Trans Texas Bancorporation, Inc.  
P. O. Drawer 131  
El Paso, Texas 79941

United Bancshares, Inc.  
2214 Avenue H  
Rosenberg, Texas 77471

West Texas Bancorporation, Inc.  
P. O. Box 430  
Post, Texas 79356

Fredericksburg Holding Company  
P. O. Box 2050  
Fort Worth, Texas 76101

Enterprise Bancshares, Inc.  
P. O. Drawer 10  
Mount Enterprise, Texas 75681

First Security National Corporation  
P. O. Box 2387  
Houston, Texas 77001

State Bancshares, Inc.  
501 Phelps Avenue  
Littlefield, Texas 79339

Arrowhead Company  
P. O. Box 1  
Round Mountain, Texas 78663

National Merger Investment Corp.  
P. O. Box 428  
Alto, Texas 75925

Southeast Capital Corporation  
201 East Main St.  
Idabel, Oklahoma 74745

Ranger Financial Corporation  
P. O. Box 19  
Ranger, Texas 76470